



July 20, 1999

Mary Anne Wright, Associate Director
Division of Oil, Gas and Mining
Utah Department of Natural Resources
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Transfer of Permit Rights, Horizon Mine
(ACT/007/020) #2

Dear Ms. Wright:

Pursuant to R645-303-352, Lodestar Energy, Inc., as successor permittee, hereby notifies the Division that on July 16, 1999, a business transaction was consummated by which Horizon Mining, LLC sold and assigned its rights under the above-referenced permit to Lodestar Energy, Inc.

Very truly yours,

A handwritten signature in black ink, appearing to read "RED", written over the typed name.

R. Eberley Davis
Vice President & General Counsel

RED:cgs

cc: Dave Miller, Lodestar
Mike Malmquist, Parsons Behle & Latimer